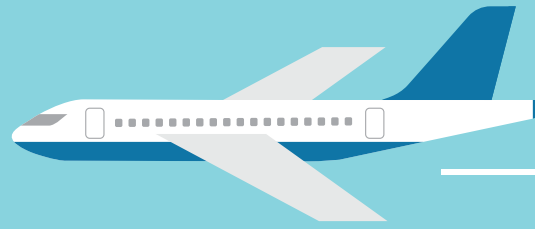




MISSOURI AEROSPACE REPORT TO THE GENERAL ASSEMBLY

For Period Ending December 31, 2019



The Missouri Aerospace Industry Job Creation Act was enacted to facilitate the creation of at least two thousand new jobs within ten years following the approval of a notice of intent pursuant to section 620.2020, RSMo. It went into effect on August 28, 2016.

The Missouri Aerospace Industry Job Creation Act is a performance-based incentive, such that the benefits are not provided until the actual retained or new payroll is documented at the end of each year of the company's benefit period. In addition, each company that participates in the program must execute an agreement with DED to insure compliance, record keeping, and minimum job retention or creation.

Pursuant to section 620.2475.1 (3), RSMo, the Department of Economic Development is required to provide an annual report providing:

- The state benefits received;
- The state benefits projected to be received by the aerospace project; and
- The number of minorities that have been trained under the Missouri Works Training Program established under sections 620.800 to 620.809.

The company's benefits for the job retention project depend on the average number of retained jobs at the end of the company's tax year. The actual benefits received are as follows:

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Total Actual Benefits received as of December 31, 2019

Company Name/ Requestor Program	Year of Benefits	Mo Works Project Type	Average # of Retained Jobs	% of Withholding on Retained Jobs	Total Tax Credit Issued
The Boeing Company	Year 1	Discretionary	14,117	15.90%	\$11,361,171.05
The Boeing Company	Year 2	Discretionary	13,846	15.90%	\$10,864,872.75
The Boeing Company	Year 3	Discretionary	13,288	15.90%	\$11,064,295.95
The Boeing Company	Year 4	Discretionary	13,900	15.90%	\$11,682,763.48

In 2018, the company submitted a Notice of Intent for new jobs under section 620.2475 RSMo. In doing so, the company capped the number of retained jobs on which it may earn benefits at 13,900. Below is an updated chart estimating the benefits that Boeing may earn for the remainder of the project period. The benefit is impacted by the wages and the amount of withholdings remitted on the full-time jobs. The second chart is the estimated benefit for the new jobs projected to be created under the New Jobs Notice of Intent.

RETENTION BENEFITS ESTIMATED TO BE RECEIVED FOR YEARS 5 -10

State Average Wage County Average Wage (St. Louis County) Average Retained Job Wages As a % of County Average Wage Average Wage for retained jobs	Benefit Year 1					FY2015			
	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total		
Retained Jobs	13,900	13,900	13,900	13,900	13,900	13,900			
Retained Payroll	\$1,564,457,246	\$1,611,390,963	\$1,659,732,692	\$1,709,524,673	\$1,760,810,413	\$1,813,634,726			
Estimated Total WH	\$67,115,216	\$69,128,672	\$71,202,532	\$73,338,608	\$75,538,767	\$77,804,930			
Total Tax Credit Benefit (% WH)	\$10,671,319	\$ 10,991,459	\$11,321,203	\$11,660,839	\$12,010,664	\$12,370,984	\$69,026,468		

Jobs between 13,250 -14,384 at 15.9% of withholdings benefit (the company is capped at 13,900 jobs, based on the New Job Notice of Intent submitted). The company may not claim retention benefits on any jobs above 13,900. Any jobs above 13,900 that the company creates will be part of the new job project illustrated on page three.

NEW JOB BENEFITS ESTIMATED TO BE RECEIVED

Benefit Calculation:				Project Summary			
Statewide Average Wage		\$47,806		Average Annual Starting Wage		\$86,000	
County Average Wage (St. Louis County)		\$47,806					
Avg New Job Wages as a % of County Avg Wage		180%		Benefit Year 1 for NOI 1		State FY 2020	
Withholding tax rate		3.78%		Total NOI's to Submit		1	
Mega Works Statutory Benefit		7.00%		Total New Jobs		2,000	
				Total Capital Investment		\$30,000,000	
Total percentage of program benefit		7.00%					
Year 1		Year 2	Year 3	Year 4	Year 5	Year 6	Total
New Jobs - NOI 1	2,000	2,000	2,000	2,000	2,000	2,000	
Average Wage	\$86,000	\$88,580	\$91,237	\$93,975	\$96,794	\$99,698	
New Payroll	\$172,000,000	\$177,160,000	\$182,474,800	\$187,949,044	\$193,587,515	\$199,395,141	
Prelim. Program Benefit	\$12,040,000	\$12,401,200	\$12,773,236	\$13,156,433	\$13,551,126	\$13,957,660	\$77,879,655
Statutory Tax Credits	\$12,040,000	\$12,401,200	\$12,773,236	\$13,156,433	\$13,551,126	\$13,957,660	\$77,879,655
Total Program Benefit	\$12,040,000	\$12,401,200	\$12,773,236	\$13,156,433	\$13,551,126	\$13,957,660	\$77,879,655

MINORITY TRAINING PROGRAM

Lastly, there were no training benefits provided under RSMo 620.2475, and consequently there have been no minorities who have been trained under the Missouri Works Training Program.